

## Marilyn Lane Barton

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**From:** Marilyn Lane Barton <clifton.treasurer@cox.net>  
**Sent:** Monday, August 1, 2016 9:49 PM  
**To:** William Hollaway; Deborah Dillard (clifontownhall@gmail.com); Jennifer Heilmann; WAYNE; 'mcdonald.regan@gmail.com'; Darrell Poe (cliftonhallrental@gmail.com) cliftonclerkva@gmail.com; Amanda Christman; 'mbarton@comres.org'  
**Cc:**  
**Subject:** RE: Treasurer's Report for the period ended July 31, 2016  
**Attachments:** NCC Letter of Agreement re VR Delinquent Collections 7 5 2016.docx; APPROVED FY2017 Budget - June 7, 2016.pdf; 2016 07 31 Financial Reports.xlsx; Audit Engagement Letter for FY16.pdf

**Importance:** High

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hello everyone,

Attached are the **Financial Reports for the period ended July 31, 2016**. The Financial Reports include:

- **Comparison of Cardinal & John Marshall Banks' APY rates** for CDs and Money Market funds. This presentation was prepared for consideration for **reinvesting \$ 613,764.49 from CDs maturing in mid-September**.
- Summary of **Cash Balances as of July 31, 2016**, noting July transactions negotiated for **improved investment returns** as approved at the July Town Council meeting.
- **Profit & Loss Summary by Fund** for period ended 7/31/2016.
- **Profit & Loss Detail Export Report** for period ended 7/31/16. I have included a copy of the final Approved Budget for FY 2017 – July 1, 2016 to June 30, 2017 for your records. notes on the Profit & Loss Summary report which highlight items of interest for June. Given the early timing of the August 2<sup>nd</sup> Town Council meeting and the work volume required for the fiscal year end and new fiscal year opening, the Final Approved FY 2017 budget has not yet been updated in the Town's accounting system. The budget document is attached for your reference.
- The BPOL Status Report reflects one additional receipt of \$25. An additional \$6,866.96 was received in the month of June, bringing the total amount received to \$47,596 which exceeds the FY16 Budget forecast and represents 97% compliance.
- The Town has received the first direct deposit for a vehicle registration fee!! Fairfax will be sending out the VRF bills in early August. *We are all set.*

Attached is the **Final Approved FY 2017 Budget** for your records and posting to the Town's website.

Given the thorough research of local CPAs firms conducted just last fall, I **recommend that Andrew Cannaday's newly merged firm, White, Withers, Masincup & Cannaday, P.C., be considered to conduct the Town's FY16 audit**. A **letter of engagement is attached** for your consideration. The fees on page 5 of the letter remain consistent with the prior year, not to exceed \$6,500 plus travel costs not to exceed \$650. I am hopeful that the FY16 audit can be scheduled in September. *(Please note that the FY15 Audited Financial Statements are anticipated in the near future. This was a delayed process due to the lengthy outreach to other firms that was conducted last fall at the Town Council's request.)*

You will recall that the **proposed Nationwide Credit Corp., NCC, Letter of Agreement with the Town** was postponed from the July 5<sup>th</sup> Town Council meeting for further review of the contract documents provided. I am attaching it once again for your reference and consideration.

After your review, if you have any questions or concerns, please let me know. If there are additional supplemental schedules that you would like to see, just let me know.

***IMPORTANT: Please let me know if you DO NOT wish to receive a paper copy of these documents provided to you at the meeting. Thanks so much!***

Sincerely,

*Marilyn*

Marilyn Barton  
Treasurer

Town of Clifton  
P.O. Box 309  
Clifton, VA 20124-0309

Cell: 703-678-8607

## Summary of Bank Investment Certificate of Deposit Rates

C.D. Term	Cardinal Bank				John Marshall Bank		
	Min Dep	APY %	New \$		Min Dep	APY %	New \$
12 months	\$ 1,000.00	0.85%	1.00%		\$ 500.00	0.85%	
12 months - no penalty		0.85%			\$ 500.00	0.75%	
18 months	\$ 1,000.00	1.00%	1.12%		\$ 500.00	1.06%	
18 months - bump up					\$ 500.00	1.26%	
2 years	\$ 1,000.00	0.85%	1.25%			1.21%	
3 years	\$ 1,000.00	0.90%				1.36%	
4 years	\$ 1,000.00	1.40%				1.61%	
5 years	\$ 1,000.00	1.75%				1.87%	
6 years	\$ 1,000.00	2.00%					
Money Market Funds	\$ 25,000.00	0.45%	0.50%		\$ 25,000.00	0.30%	
Money Market Funds					\$ 100,000.00	0.40%	

Town CDs maturing mid

September for

reinvestment

\$ 361,324.52

\$ 252,439.97

**TOTAL for Reinvestment: \$ 613,764.49**

08/01/16

**Town of Clifton**  
**Cash Balance Report**  
 As of July 31, 2016

	<u>7/31/2016</u>	New Bank Rates Negotiated July 2016		
ASSETS				
Current Assets		<u>CD Term</u>	<u>Maturity Date</u>	<u>APR %</u>
Checking/Savings				
John Marshall Bank CD 180224	100,975.98	1 yr	9/10/2016	1.10%
John Marshall Bank CD 180216	151,463.99	1 yr	9/10/2016	1.10%
C.D. - Cardinal Bank 1	361,324.52	6 yr	9/13/2016	3.17%
C.D. - Cardinal Bank 2	100,000.00	1 yr	7/24/2016	0.85%
C.D. - Cardinal Bank 3	100,000.00	1 yr	7/24/2016	0.85%
C.D. - Cardinal Bank 4	100,000.00	1 yr	7/24/2016	0.85%
Cardinal - Events Acct	100.00			
Checking-Cardinal	16,562.03	Min Bal \$2,500	"Chairman's Club"	0.10%
Investments-LGIP	919.60			
Money Market Savings-Cardinal	100,714.41		New negotiated rate	0.45%
Security Deposit - Cardinal	4,418.59			
Total Checking/Savings	<u>1,036,479.12</u>			

*NOTE: Results of negotiations with banks for improved investment returns. The one-year CD rates were .85% APR from both Cardinal Bank and John Marshall Bank. We were able to negotiate higher yields on all accounts from Cardinal Bank.*



Town of Clifton  
**Profit & Loss**  
July 2016

	<u>Jul 16</u>
Income	
Community Hall Revenues	330.00
Interest Income	1,260.33
Pink House Rental	3,400.00
Tax and Permits Revenue	<u>1,055.16</u>
Total Income	<u>6,045.49</u>
 Gross Profit	 6,045.49
 Expense	
Commodities	170.00
Contractual	647.60
Payroll Expenses	<u>3,066.66</u>
Total Expense	<u>3,884.26</u>
 Net Income	 <u><u>2,161.23</u></u>

*NOTE: Given the timing of the August meeting 8/2/16, and work volume for the fiscal year end, the FY17 Budget has not yet been updated in the Accounting system. I will provide the FY17 Approved Budget at the meeting for reference.*

Town of Clifton  
**Profit & Loss**  
July 2016

	A	B	C	D	E	F	G	H	I
1									Jul 16
2			Income						
3				Community Hall Revenues					
4				Community Hall Rentals					330.00
5				Total Community Hall Revenues					330.00
6				Interest Income					1,260.33
7				Pink House Rental					3,400.00
8				Tax and Permits Revenue					
9				BPOL tax					25.00
10				Cigarette Tax					238.28
11				Communications Sales Tax -Va					466.88
12				Use Permits					325.00
13				Total Tax and Permits Revenue					1,055.16
14				Total Income					6,045.49
15			Gross Profit						6,045.49
16			Expense						
17				Commodities					
18				Postage and Delivery					170.00
19				Total Commodities					170.00
20				Contractual					
21				Dues and Subscriptions					
22				Va. Municipal League					388.00
23				Total Dues and Subscriptions					388.00
24				Rent					
25				Ayre Square Rental					0.00
26				Total Rent					0.00
27				Town Government					
28				Town Committees Expense					
29				Town Parks Committee Exp					
30				Playground Equip. Maintenance					95.38
31				Total Town Parks Committee Exp					95.38
32				Total Town Committees Expense					95.38

Town of Clifton  
**Profit & Loss**  
July 2016

	A	B	C	D	E	F	G	H	I
1									Jul 16
33								Total Town Government	95.38
34								Town Services	
35								Trash Collection	160.41
36								Utilities	
37								Gas and Electric	3.81
38								Total Utilities	3.81
39								Total Town Services	164.22
40								Total Contractual	647.60
41								Payroll Expenses	
42								Gross Wages	
43								Town Clerk (Administrative)	1,000.00
44								Town Treasurer	1,666.66
45								Zoning Clerk	400.00
46								Total Gross Wages	3,066.66
47								Total Payroll Expenses	3,066.66
48								Total Expense	3,884.26
49								Net Income	2,161.23

<b>TOWN OF CLIFTON</b>		<b>Town Council Meeting</b>	
<b>Approved by Clifton Town Council - June 7, 2016</b>		<b>June 7, 2016</b>	
		<b>APPROVED Budget</b>	
		<b>FY17 06</b>	
<b>REVENUES:</b>			
<b>Taxes &amp; Permits Revenues:</b>			
ARB Permits	300.00		
BPOL	46,000.00		
Va Communications Sales Tax	7,000.00		
Cox & Verizon PEG Franchise Revenue & State Communication Sales and Use Tax	3,800.00		
Motor Vehicle Tags	7,000.00		
No. Va. Cigarette Tax	2,200.00		
Railroad Tax	1,800.00		
Sales Tax	36,000.00		
Meals Tax	0.00		
Use Permits	700.00		
Utility Consumption Tax	1,100.00		
<b>TOTAL TAXES &amp; PERMITS:</b>			<b>105,900.00</b>
<b>Town Facilities Rentals:</b>			
Community Hall	6,000.00		
Pink House	40,800.00		
Clifton Public Parking Offsets	450.00		
<b>TOTAL FACILITIES RENTALS:</b>			<b>47,250.00</b>
<b>Other Revenues:</b>			
<b>Wine Festival (NET)</b>	0.00		<b>0.00</b>
<b>Clifton Arts Council</b>			
Calendars	1,200.00		
International Film Festival	8,000.00		
Clifton's Got Talent	600.00		
Annual Summer Play Event	1,500.00		
<b>Total Clifton Arts Council</b>			<b>11,300.00</b>
<b>Environmental Committee</b>			
Environmental Event	500.00		
<b>Total Environmental Committee</b>			<b>500.00</b>
<b>Haunted Trail Event</b>	30,000.00		<b>30,000.00</b>
<b>Historic Preservation Committee</b>			
Historic Events in Town	0.00		
<b>Total Historic Preservation Committee</b>			<b>0.00</b>
<b>HOMES TOUR COMMITTEE</b>			
Homes Tour	4,000.00		
<b>TOTAL HOMES TOUR COMMITTEE</b>			<b>4,000.00</b>
<b>Interest Income</b>	14,000.00		<b>14,000.00</b>
<b>Town Parks Committee</b>			
Property Rental-Park/Square/Gazebo	200.00		
<b>Total Town Parks Committee</b>			<b>200.00</b>

<b>TOWN OF CLIFTON</b>		<b>Town Council Meeting</b>	
<b>Approved by Clifton Town Council - June 7, 2016</b>		<b>June 7, 2016</b>	
		<b>APPROVED Budget</b>	
		<b>FY17 06</b>	
<b>Clifton Business Committee</b>			
Celebrate Clifton Gala	15,000.00		
<b>Total Clifton Business Committee</b>			<b>15,000.00</b>
<b>Clifton Lions Club Donation</b>	0.00		<b>0.00</b>
<b>Fire Program State Grant- FCFD</b>	9,000.00		<b>9,000.00</b>
Other income (Donations)	50.00		<b>50.00</b>
<b>TOTAL OTHER REVENUE:</b>			<b>84,050.00</b>
<b>TOTAL REVENUES:</b>			<b>237,200.00</b>
<b>EXPENSES:</b>			
<b>Payroll Expenses:</b>			
Town Manager Salary	20,000.00		
Town Clerk Salary	12,000.00		
Zoning Clerk Salary	4,800.00		
Town Treasurer Salary	18,180.00		
Payroll Taxes	4,651.20		
Employee Incentives	6,000.00		
<b>TOTAL PAYROLL EXPENSES:</b>			<b>65,631.20</b>
<b>CONTRACTUAL EXPENSES:</b>			
<b>Insurance</b>	6,600.00		<b>6,600.00</b>
<b>Town Government:</b>			
ARB	300.00		<b>300.00</b>
	0.00		<b>0.00</b>
<b>Planning Commission (TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE)</b>			
Consulting & Related expenses for Town Plan, Capital Plan, Zoning Ordinances	3,000.00		
Advertising for Public Hearings for Use Permits	1,000.00		
General Consulting	5,000.00		
General Admin/Education	1,000.00		
<b>Total Planning Commission</b>			<b>10,000.00</b>
<b>TOTAL GOVERNMENT:</b>			<b>16,900.00</b>
<b>Professional Fees:</b>			
Accounting - Year Audit Review	7,500.00		
	0.00		
Legal Fees	20,000.00		
<b>TOTAL PROFESSIONAL FEES:</b>			<b>27,500.00</b>
<b>Town Facilities:</b>			
Town Handyman - 1099 vendor for maintenance services	4,000.00		<b>4,000.00</b>
Ayre Square Rent	1,400.00		<b>1,400.00</b>
Ayre Square Maintenance	500.00		<b>500.00</b>
<b>Caboose Expenses:</b>			
Equipment	500.00		
Maintenance	1,500.00		
<b>Total Caboose Expenses:</b>			<b>2,000.00</b>
Railroad Siding Rent	1,700.00		<b>1,700.00</b>
<b>Subtotal - Facilities:</b>			<b>9,600.00</b>

<b>TOWN OF CLIFTON</b>	<b>Town Council Meeting</b>	
<b>Approved by Clifton Town Council - June 7, 2016</b>	<b>June 7, 2016</b>	
	<b>APPROVED Budget</b>	
	<b>FY17 06</b>	
<b>Town Meeting Hall Expenses: (TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500-EXPENSE)</b>		
Cleaning	2,000.00	
Electric	8,000.00	
Supplies	500.00	
General Maintenance - including floors	2,000.00	
Mgt Fee (25% of Community Hall Rentals)	2,375.00	
Community Hall Interior Improvements	15,000.00	
	0.00	
<b>TOTAL MEETING HALL EXPENSES</b>		<b>29,875.00</b>
<b>Pink House Expenses: (TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE)</b>		
Maintenance	15,000.00	
Repairs	5,000.00	
<b>Total Pink House Expenses:</b>		<b>20,000.00</b>
<b>TOTAL TOWN FACILITIES:</b>		<b>59,475.00</b>
<b>Town Services:</b>		
Town Elections	0.00	
Town Park Lawn Maintenance	5,000.00	
Grass Mowing	5,500.00	
Trash Collections - Added \$1,500 for trash collection 6/7/16	3,300.00	
Town Recepticle Trash Maintenance	1,200.00	
Fire Program State Grant Expense - passthrough to FCFD	9,000.00	
<b>TOTAL TOWN SERVICES:</b>		<b>24,000.00</b>
<b>Utilities:</b>		
Utilities - Electric (RR Siding,Gazebo & Ayre Sq. & street lights)	1,200.00	
<b>TOTAL UTILITIES:</b>		<b>1,200.00</b>
<b>Dues &amp; Subscriptions:</b>		
Conference Attendance	500.00	
Other Dues & Subscriptions	100.00	
Va Municipal League	600.00	
<b>TOTAL DUES &amp; SUBSCRIPTIONS:</b>		<b>1,200.00</b>
<b>Other Contractual Expenses:</b>		
<b>Beautification Committee</b>		
Flowers/Barrels & Flag Pole planter-Ayre Square	800.00	
Christmas Tree Lighting	1,000.00	
Banner Replacement	4,000.00	
Railroad Siding Boxes - North & South Sides	1,000.00	
<b>Total Beautification Committee</b>		<b>6,800.00</b>
Citizen Recognition Fund	750.00	<b>750.00</b>
<b>Communication Committee (TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE)</b>		
Web Server Annual Maintenance with Domain Subscriptions	200.00	
Web Site Updating & Configuration	500.00	
<b>Total Communication Committee</b>		<b>700.00</b>

<b>TOWN OF CLIFTON</b>		<b>Town Council Meeting</b>
<b>Approved by Clifton Town Council - June 7, 2016</b>		<b>June 7, 2016</b>
		<b>APPROVED Budget</b>
		<b>FY17 06</b>
<b>Clifton Arts Council (TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE)</b>		
Calendars	1,200.00	
Annual Summer Play Event	1,500.00	
Clifton's Got Talent	1,000.00	
International Film Festival	6,000.00	
<b>Total Clifton Arts Council</b>		<b>9,700.00</b>
<b>Committee on the Environment</b>		
Town Clean Up	250.00	
Camp Fire Event	150.00	
Environmental Events	500.00	
<b>Total Environmental Committee</b>		<b>900.00</b>
Haunted Trail Event	15,000.00	<b>15,000.00</b>
<b>Historic Preservation Committee</b>		
Historic Events in Town	1,000.00	
Civil War - Walking Tour Brochure	500.00	
Town Museum	1,000.00	
Historic Town Documents	250.00	
	0.00	
<b>Total Historic Preservation Committee</b>		<b>2,750.00</b>
<b>Homes Tour Committee (TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE)</b>		
Homes Tour	2,000.00	
<b>Total Homes Tour Committee</b>		<b>2,000.00</b>
Legal Advertising	2,000.00	<b>2,000.00</b>
Mayoral Reimbursement	500.00	<b>500.00</b>
Town Association of Northern Virginia Event	600.00	<b>600.00</b>
Miscellaneous Contractual Expenses (TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE)	2,500.00	<b>2,500.00</b>
<b>Park Committee Expense</b>		
<b>Town Parks Committee (TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE)</b>		
Landscape/Ground Maintenance - Includes Playground, Ayre Square, 8 acre Park & Triangle Maintenance	4,250.00	
Gazebo Garden Refurbishment	500.00	
Tree Trimming and Replacement Planting - playground, Ayre Sq & Chapel St	5,000.00	
Playground Equipment Maintenance	1,000.00	
Fall Zone Mulching	2,500.00	
Mgt Fee (25% of Property Rentals)	50.00	
<b>Total Town Parks Committee</b>		<b>13,300.00</b>
<b>Traffic, Parking and Safety Committee</b>	500.00	<b>500.00</b>
<b>Welcoming &amp; Sunshine Committee</b>		
Welcome Baskets & Expressions of Sympathy	500.00	
Spring Egg Hunt	250.00	
<b>Total Welcoming &amp; Sunshine Committee</b>		<b>750.00</b>

TOWN OF CLIFTON		Town Council Meeting	
Approved by Clifton Town Council - June 7, 2016		June 7, 2016	
		APPROVED Budget	
		FY17 06	
Other * ( <i>TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE</i> )		7,500.00	7,500.00
Clifton Business Committee			
Clifton Walking Tour pamphlet	500.00		
Celebrate Clifton Gala	1,000.00		
Holiday Trees / Holiday Décor	250.00		
Commercial District Directional Signage	1,500.00		
Total Clifton Business Committee			3,250.00
TOTAL OTHER CONTRACTUAL:			69,500.00
Commodities:			
Computer Supplies - Hardware & Software	1,500.00		
Copies	100.00		
License Plates	100.00		
Miscellaneous Commodities	250.00		
Office Supplies	750.00		
Office Equipment	500.00		
Postage & Delivery	500.00		
Miscellaneous- ( <i>TOWN COUNCIL APPROVAL REQUIRED FOR OVER \$500- EXPENSE</i> )	2,500.00		
TOTAL COMMODITIES:			6,200.00
TOTAL EXPENSES:			271,606.20
NET INCOME (LOSS):			(34,406.20)



<b>TOWN OF CLIFTON</b>	<b>Town Council Meeting</b>	
<b>Approved by Clifton Town Council - June 7, 2016</b>	<b>June 7, 2016</b>	
	<b>APPROVED Budget</b>	
	<b>FY17 06</b>	
<b>Town of Clifton</b>		
<b>CAPITAL IMPROVEMENTS/GRANT INCOME</b>		
<b>REVENUE/COST STATEMENT</b>		
<b>REVENUES:</b>		
	0.00	
Clifton Entrance Triangle - CBA GRANT	0.00	
<b>TOTAL CLIFTON ENTRANCE TRIANGLE:</b>		<b>0.00</b>
<b>FEDERAL GRANTS</b>	0.00	
	0.00	
Federal Trans. Project -ISTEA- Clifton Streetscape (100% MATCH GRANT)	145,500.00	
VDOT TA -Main Street Improvements (80% - 20% MATCH GRANT)	582,000.00	
<b>TOTAL VDOT TA - MAIN ST IMPROVEMENTS</b>		<b>727,500.00</b>
	0.00	<b>0.00</b>
<b>TOTAL REVENUES:</b>		<b>727,500.00</b>
<b>COSTS:</b>		
	0.00	
VDOT TA -Main Street Improvements (80% - 20% MATCH GRANT)	727,500.00	
<b>Total Main Street - Special Projects Committee</b>		<b>727,500.00</b>
<b>TOTAL SPECIAL PROJECTS COMMITTEE:</b>		<b>727,500.00</b>
Preliminary engineering and design for new sidewalk	3,000.00	
Purchase of Green Space	200,000.00	
Historic Property Acquisition & Improvements	50,000.00	
Clifton Creek Park - Trails	20,000.00	
Park Improvement - Well Removal and Abandonment & LANDSCAPING	6,000.00	
Public Parking Improvements	65,000.00	
Caboose renovation	15,000.00	
Storage Facility	50,000.00	
<b>TOTAL CAPITAL PROJECTS from Town Equity Funds</b>		<b>409,000.00</b>
<b>TOTAL COSTS</b>		<b>1,136,500.00</b>
<b>NET REVENUES/(COST)</b>		<b>(409,000.00)</b>

# White, Withers, Masincup & Cannaday, PC

THOMAS A. WHITE, CPA  
JOHN W. WITHERS, CPA  
ROBERT W. MASINCUP, CPA  
ANDREW L. CANNADAY, CPA

*Certified Public Accountants*

MEMBERS  
AMERICAN INSTITUTE OF CPAs  
VIRGINIA SOCIETY OF CPAs

August 1, 2016

To the Town Council and Management  
Town of Clifton, Virginia  
PO Box 309  
Clifton, VA 20124

We are pleased to confirm our understanding of the services we are to provide the Town of Clifton, Virginia (the Town) for the year ended June 30, 2016. We will audit the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Town as of and for the year ended June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis -- our audit report will include an explanatory paragraph indicating this RSI has not been included in your financial statements unless you prepare the MD&A and provide to us for our review.
2. Budgetary Comparison Schedule -- General Fund.

We have also been engaged to report on supplementary information other than RSI that accompanies the Town's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

1. Schedule of Revenues -- Budget and Actual -- General Fund.
2. Schedule of Expenditures -- Budget and Actual -- General Fund.

## Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Town's financial statements. Our report will be addressed to the Town Council of the Town of Clifton, Virginia. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the Town's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Town or to acts by management or employees acting on behalf of the Town. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures – Internal Controls**

Our audit will include obtaining an understanding of the Town and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Other Services**

We will also assist in preparing the financial statements and related notes of the Town in conformity with U.S. generally accepted accounting principles based on information provided by you. And we will assist in updating the Town's depreciation schedules and converting cash basis records to accrual basis as necessary. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect of the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Town complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We will provide copies of our reports to the Town; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of White, Withers, Masincup & Cannaday, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of White, Withers, Masincup & Cannaday, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Andrew L. Cannaday is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs and will not exceed \$6,500 plus reasonable travel costs not to exceed \$650. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit (currently \$165/hour for partner and \$110/hour for senior staff). Fifty percent of our fee will be billed upon completion of audit fieldwork and the remaining fifty percent upon submission of the audit reports. This fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2012 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Town of Clifton, Virginia and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return it to us.

Very truly yours,

*White, Withers, Masincup & Cannaday, P.C.*

Town of Clifton, Virginia  
Page 5  
August 1, 2016

**RESPONSE:**

This letter correctly sets forth the understanding of the Town of Clifton, Virginia.

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**Management Signature**

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**Title**

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**Date**

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**Governance Signature**

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**Title**

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**Date**



**Boyce, Spady  
& Moore PLC**  
System Review Report  
Certified Public Accountants & Consultants

January 30, 2013

To the Shareholders of Anderson, White & Company, P.C.  
and the Peer Review Committee of the VSCPA

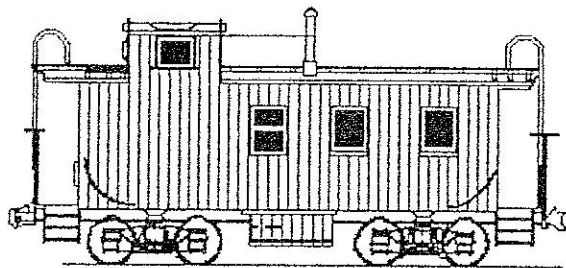
We have reviewed the system of quality control for the accounting and auditing practice of Anderson, White & Company, P.C. (the firm) in effect for the year ended September 30, 2012. Our peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a system review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included an engagement performed under *Government Auditing Standards* and an audit of an employee benefit plan.

In our opinion, the system of quality control for the accounting and auditing practice of Anderson, White & Company, P.C. in effect for the year ended September 30, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Anderson, White & Company, P.C. has received a peer review rating of *pass*.

Boyce, Spady & Moore PLC





Town of Clifton  
P.O. Box 309  
Clifton, Virginia 20124-0309

July 5, 2016

Nationwide Credit Corporation  
5503 Cherokee Avenue  
Alexandria, VA 22312  
Attention: Mary Arthur

Re: Contract No. 4400001683; Collection Service Delinquent Accounts

Dear Ms. Arthur:

The Town of Clifton would like Nationwide Credit Corporation to extend the above-mentioned contract with Fairfax County, VA for collection services to our jurisdiction. Please indicate whether or not you agree to allow the Town of Clifton to bridge this contract. As a result of your agreement to enter into a bridge contract, you shall provide the Town of Clifton with the same products and services provided to Fairfax County, VA at the same prices for the same contract term and renewals.

Please indicate below your approval or disapproval and return the original to this office signed by an official authorized to enter into contracts with the Town of Clifton.

NCC agrees to extend the contract: \_\_\_\_\_

NCC does not agree to extend the contract: \_\_\_\_\_

Signature

Title

Date

Sincerely,

William Hollaway  
Mayor  
Town of Clifton, Virginia

## Barton, Marilyn

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**From:** Barton, Marilyn  
**Sent:** Tuesday, July 05, 2016 2:37 PM  
**To:** 'Marilyn Lane Barton'; William Hollaway; Deborah Dillard; Jennifer Heilmann; WAYNE; mcdonald.regan@gmail.com; Darrell Poe  
**Cc:** cliftonclerkva@gmail.com; Amanda Christman  
**Subject:** Update: NCC Agreement for Collections re Delinquent Veh Reg accounts - RE: Treasurer's Report for the period ended June 30, 2016  
**Attachments:** FairfaxCountyProcurementSite - full contract.pdf; NCC -Fairfax Co -Veh Reg Collections - ContractRiderLanguage.pdf; NCC Letter of Agreement - TOC.docx; RE: Town of Clifton - NCC Agreement  
**Importance:** High

Hello all,

As part of the Treasurer's Report for tonight, I am attaching the materials for your review related to entering an agreement with NCC re collection of delinquent vehicle registration accounts. Attached are:

- Fairfax County site for review of full RFP and Agreement with NCC – for reference
- NCC – Fairfax Co – Contract rider language ( provided previously)
- NCC Letter of Agreement – *proposed for the Town of Clifton – I will have this prepared on Town letterhead for tonight.*
- Correspondence with Mary Arthur of NCC – responding to my inquiry of the process, and the impact of this agreement on our citizens.

*Consideration and direction need to be given* to determine what the Town wants to set as delinquency fees and whether the Town wants to invoke a DMV hold charge, administrative fee and interest. Once set by the Town Council, any fees for late payment will be added to the account by Fairfax County prior to placement with NCC for collection.

Please review her response attached – it clarifies the process nicely.

Sincerely,

*Marilyn*

Marilyn Lane Barton  
Finance Manager  
Community Residences, Inc.  
14160 Newbrook Drive, 1st Floor  
Chantilly, Virginia 20151  
Direct: 703-842-2333 | Fax: 703-842-2341  
Email: [mbarton@comres.org](mailto:mbarton@comres.org)  
Website: <http://www.communityresidences.org>  
Dignity | Self-esteem | Quality-of-life



**From:** Marilyn Lane Barton [mailto:[clifton.treasurer@cox.net](mailto:clifton.treasurer@cox.net)]  
**Sent:** Monday, July 04, 2016 11:47 PM

## Barton, Marilyn

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**From:** Mary Arthur <Mary.Arthur@nccva.com>  
**Sent:** Tuesday, July 05, 2016 11:22 AM  
**To:** Barton, Marilyn  
**Cc:** 'clifton.treasurer@cox.net'  
**Subject:** RE: Town of Clifton - NCC Agreement

I am more than happy to help. In the scenario you address below, if the town sets a delinquency fee, Fairfax will add this to the account prior to placement (they have a 10% fee per vehicle for their late penalty). When the accounts are sent to us, they are broken down to reflect the amounts that are due (tax, late payment penalty, DMV hold charge, administrative fee (if any) VR fee and interest). If you will be adding a late charge, I am sure Fairfax will reflect this in their system in place of the per property late charge so it will be placed with us the same way.

We group the collection accounts under each registered taxpayer. The taxpayer below would owe the \$84.00 + late fee (\$10.00 for an example) = \$94.00 + \$18.80 (our 20% fee that's added on) = \$112.80. You receive the \$94.00, we keep the \$18.80.

The 20% (our fee) is added on at the time of placement. The accounts are sent through a bankruptcy/deceased scrub to determine if the taxpayer is deceased or filed bankruptcy. We then send a notice to the taxpayer advising the account has been placed for collection action. As soon as the notice is sent we begin trying to contact the taxpayer by phone to determine the reason for the delinquency. If they advise they sold, scrapped, wrecked the vehicle, our agents know what documentation to request so the information can be forwarded for review. If there is a hardship scenario, we will work with the taxpayer to resolve in payments, if necessary. If assets are located and you are allowing liens to be filed, we will recommend a lien, Fairfax County actually reviews and approves. If you are placing DMV holds, once we receive the funds, we will contact Fairfax to release the DMV hold.

Mary T. Arthur  
VP of Operations  
Phone: (703)813-1451  
Fax: (703)941-5560  
[Mary.Arthur@nccva.com](mailto:Mary.Arthur@nccva.com)  
NCC | Account Receivable Management  
<http://www.nccarm.com/>



The information contained in this communication is confidential and/or privileged, proprietary information that is transmitted solely for the purpose of the intended recipient(s). If the reader of this message is not an intended recipient, or if this message has been inadvertently directed to your attention, you are hereby notified that you have received this communication and any attached document(s) in error, and that any review, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately and destroy all copies of the original communication. This communication is from a debt collection attempting to collect a debt and any information obtained will be used for that purpose.

nccva.com

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**Date** Tue, 5 Jul 2016 11:56:46 +0000  
**From** mary.arthur@nccva.com  
**To** Marilyn Lane Barton <clifton.treasurer@cox.net>  
**Cc** "mbarton@comres.org" <mbarton@comres.org>  
**Subject** RE: FW: NCC Rider/Town of Clifton

[Show All Headers](#)

**Attachments**  
[image001.png \(22KB\)](#)  
[FairfaxCountyProcurementSite.pdf \(91KB\)](#)  
[image004.jpg \(3KB\)](#)  
[image006.png \(16KB\)](#)  
[SampleRiderRequest.docx \(13KB\)](#)  
[image005.png \(16KB\)](#)  
[image002.png \(16KB\)](#)  
[ContractRiderLanguage.pdf \(74KB\)](#)

Hello Marilyn,

Please find attached:

1. A scan of the Fairfax County contract website that contains the full collection contract and amendments. I did not attach the full contract, but you can download a copy from the contract register online.
2. The page of the contract that pertains to other jurisdictions riding the contract.
3. A sample rider request for your use. All we need is the rider request completed with the name of the jurisdiction and the signature and title of the individual authorized to sign. Please return two copies to us, we will indicate our agreement and return one signed original back to you.

Section 58.1-3958 of the Code of Virginia authorizes the use of collection agencies for collection of delinquencies. The section allows the add on fee of 20% which is our fee. Therefore, there is no cost to the entity for our services. Since Fairfax County will be handling your billing, they already have a system of secure transfer file transfer in place for delinquencies. Our staff is fully trained in tax collections and all administrative remedies allowed for collection by the tax code are overseen and approved by Fairfax County employees before we utilize them.

I will be in the office all day. I do have meetings scheduled onsite. I am happy to answer any questions, if you send me some times you are available so I can coordinate my schedule.

SPECIAL PROVISIONS**38. ORDER OF PRECEDENCE:**

- 38.1. In the event of conflict, the Acceptance Agreement (provided at contract award) and the Special Provisions of this contract shall take precedence over the General Conditions and Instructions to Bidders, (Appendix A).

**39. SUBCONTRACTING:**

- 39.1. If one or more subcontractors are required, the contractor is encouraged to utilize small, minority-owned, and women-owned business enterprises. For assistance in finding subcontractors, contact the Virginia Department of Business Assistance <http://www.dba.state.va.us>; the Virginia Department of Minority Business Enterprise <http://www.dnbe.state.va.us/>; local chambers of commerce and other business organizations.
- 39.2. As part of the contract award, the prime contractor agrees to provide the names and addresses of each subcontractor, that subcontractor's status as defined by Fairfax County, as a small, minority-owned and/or woman-owned business, and the type and dollar value of the subcontracted goods/services provided. Reference Appendix B to this solicitation.

**40. USE OF CONTRACT BY OTHER PUBLIC BODIES:**

- 40.1. Reference Paragraph 75, General Conditions and Instructions to Bidders, Cooperative Purchasing. Offerors are advised that the *resultant* contract(s) may be extended, with the authorization of the Offeror, to other public bodies, or public agencies or institutions of the United States to permit their use of the contract at the same prices and/or discounts and terms of the resulting contract. If any other public body decides to use the final contract, the Contractor(s) must deal directly with that public body concerning the placement of orders, issuance of purchase orders, contractual disputes, invoicing and payment. The County of Fairfax acts only as the "Contracting Agent" for these public bodies. Failure to extend a contract to any public body will have no effect on consideration of your offer. (See Appendix B for sample listing).
- 40.2. It is the Contractors responsibility to notify the public body(s) of the availability of the contract(s).
- 40.3. Other public bodies desiring to use this contract will need to make their own legal determinations as to whether the use of this contract is consistent with their laws, regulations, and other policies.
- 40.4. Each public body has the option of executing a separate contract with the Contractor(s). Public bodies may add terms and conditions required by statute, ordinances, and regulations, to the extent that they do not conflict with the contracts terms and conditions. If, when preparing such a contract, the general terms and conditions of a public body are unacceptable to the Contractor, the Contractor may withdraw its extension of the award to that public body.
- 40.5. Fairfax County shall not be held liable for any costs or damages incurred by another public body as a result of any award extended to that public body by the Contractor.

**41. NEWS RELEASE BY VENDORS:**

- 41.1. As a matter of policy, the County does not endorse the products or services of a contractor. News releases concerning any resultant contract from this solicitation will not be made by a contractor without the prior written approval of the County. All proposed news releases will be routed to the Purchasing Agent for review and approval.